

22 FEB 1979

MEMORANDUM FOR: Deputy Director for Administration

FROM : Deputy Director, National Foreign Assessment
Center

SUBJECT : SAFE Location Alternatives

1. This memorandum records my views on the location for the central facilities for SAFE. A question on alternative locations was raised at the 16 February EAG meeting. In sum, I believe that we should reaffirm the decision to locate SAFE on the ground floor in the north-east corner of the Headquarters building.

2. Alternative locations are possible. Attached is a memorandum from the SAFE project team that discusses in some detail a location in a new building on the compound, in surplus Government space elsewhere, or in a newly leased building. The memorandum also discusses costs already incurred for the CIA Headquarters location--about \$3 million. Some of this sum might be recoverable if the location is changed, but only with the expenditure of large sums to facilitate relocation of installed equipment.

3. The proposed three locations would result in estimated initial costs of between \$8 and \$10 million, which would be added to the current estimated total cost of SAFE, and each would result in added annual costs beyond those of operating within the building.

4. A very rough estimate of the cost of totally leasing SAFE services is on the order of \$1 million per month for the contractor's facilities to which communication costs must be added. This price, in my view, absolutely rules out the leasing option.

5. All of the options pose problems in terms of increased security risks and degraded communications reliability.

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6. In my view, these options are undesirable, even if costs were comparable to those involved in use of the designated space in Headquarters. Because of funding problems and changes in direction, SAFE has already fallen some years behind the initial hoped-for start-up date. The competitive contracts now being evaluated are based in part on a Headquarters site, and relocation would require reworking at least part of the design effort and cost assumptions. The funds already expended are for very long lead-time facilities. I have a major interest in bringing SAFE on line as soon as possible and I am, consequently, opposed to a change of any ilk that extends significantly time to start-up.

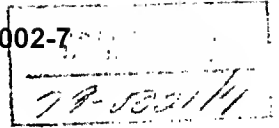


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ODP 9-276
SAF-E030-79
15 February 1979



MEMORANDUM FOR: Director of Central Reference

25X1 FROM :
Director, Consolidated SAFE Project Office,
ODP

SUBJECT : SAFE Location Alternatives

1. The SAFE system can be located outside the Headquarters Building. We have briefly examined the costs, support and security aspects of three possible alternative locations: a) a new building on the Headquarters compound; b) surplus government space in the Washington area; and c) leased space in the Washington area. We have assumed that the majority of users served by SAFE will remain in the Headquarters Building for all alternatives. (Note: There may be some significant communications cost savings by colocating the analysts with SAFE but this has not been studied.) We have also assumed, for these alternatives, that the SAFE system itself will continue to be developed by a system development contractor and will be government owned and operated. Tabs B, C, and D summarize our findings with respect to the alternatives studied.

2. We have already invested \$2,961,000 in preparing for installing the SAFE hardware in our Headquarters Building, as shown in Tab A. \$1,027,000 of this amount has been transferred to GSA for site preparation work but has not been spent. This is FY-78 money which might not be transferable to other alternative sites. \$460,000 of the \$2,961,000 was used to purchase and install an emergency generator which would still be usable for alternative #1 described in Tab B. Some consideration might be given to reinstalling this generator at a remote site for alternatives 2 and 3, but the cost of removing and reinstalling it might approach its acquisition cost.

3. Our primary concerns regarding location at a place outside the immediate Headquarters area would be communications reliability and security. It is clear that the service to analysts would degrade and the security risks would be greater because of the remote location. Considering the fact that we have already made compromises in the reliability

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specifications for the computer system in the interests of reducing costs, a reduction in communications reliability resulting from a remote location could well lead to an operationally unacceptable system.

4. We have not studied in any detail the alternative of leasing the SAFE service. However, once we have paid the development cost, a contractor could build a SAFE system and provide us the services on a leased basis. The contractor would probably have to charge us about \$1M per month to provide the services that CIA would require and recover his investment and operating costs. Added to this would be the communications costs as shown in alternatives 2 and 3, and the costs of further development activities to correct deficiencies and keep the systems abreast of changing needs.

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"SUNK" COSTS

(Costs common to any alternatives to planned use of space in Headquarters Building.)

Costs already incurred to prepare space in Headquarters Building:

Emergency power wiring	\$ 572,000
Emergency motor generator	460,000 *
A&E design for Headquarters site	100,000
FY-78 renovation funds already transferred to GSA	1,027,000 **
Transformer and related equipment in "C" vault.	<u>800,000</u>
Total	\$2,859,000

* Recoverable

** Possibly recoverable (?)

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TAB B

Alternative 1

SAFE located in a new structure on Headquarters compound.

Factors:

- a. New construction would probably not be ready in less than four years.
- b. Communications problems would be minimized -- a direct cable link between buildings would suffice.
- c. Construction costs would be offset by economics in communication, and in leasing costs and renovation costs of alternative sites outside Headquarters.
- d. Security problems would be minimal but at least one additional 24-hour guard post would be created.

Costs:

Construction *	\$6,000,000
Communications link	250,000
Chilled water and power	2,000,000
Estimated total	<u>\$8,250,000</u>
Plus "Sunk" costs	

- * For this purpose, assume 30,000 sq. ft. at \$200 per sq. ft.

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Alternative 2

SAFE located outside the Headquarters complex but on a secure government facility (i.e., Bolling Field, Arlington Hall Station).

Factors:

- a. A building having true vaulted space is required. This includes reenforced concrete walls, windowless construction, and full time security guards.
- b. Adequate zone of control would have to be provided around structure, or a shielded enclosure built to meet tempest requirements.
- c. Uninterruptable power and emergency back-up power would have to be installed.
- d. Secure wideband communications must be provided between Headquarters and the remote site.
- e. Remoteness from the user creates the management problem of remaining responsive to his needs. It makes a difficult problem more so.
- f. The facility could only be shared by agencies having similar security constraints. This would exclude most civilian agencies.
- g. Approximately 2500 sq. ft. of space is required at Headquarters for communications interface and high speed printers.
- h. If 600 sq. ft. of free space cannot be guaranteed, then would cost an additional \$1,000,000.

Cost:

a. One time -

Communications for users	\$2,250,000
Power, cooling, and emergency power	2,500,000
Vault construction (20,000 sq. ft.)	
and site preparation	5,000,000
Estimated total	<u>\$9,750,000 +</u>

b. Recurring -

Cost of space to agency	Unknown
Full time security guards	\$100,000 per year

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- g. Because commercial facilities, depending on their surroundings, lack the concentric rings of security control which are found at the Headquarters location, they are much more vulnerable to terrorist attack or other physical damage. It would be unwise at this time, based on past experience and current conditions, to predict that this threat will diminish in the future, especially for a vulnerable location. ☐

- h. Uninterruptible power and emergency backup power would be required. In commercial facilities such installations could be more difficult and costly than on a government-owned (and usually more spacious) facility. ☐

Costs: ☐

a. One time -

Communications for <input type="checkbox"/> users	\$ 2,250,000
Power, cooling and emergency power	2,500,000
Vault construction (20,000 sq. ft.) and site preparation	5,000,000
Shielded enclosure (at least)	<u>1,000,000+</u>
Estimated Total	\$10,750,000+

b. Recurring -

Security guards	\$ 100,000
	(per year)
Lease costs (at \$10/sq. ft./year)	300,000
	(per year)